

Message Text

LIMITED OFFICIAL USE

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ACTION AID-59

INFO OCT-01 NEA-14 ISO-00 AGR-20 IGA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SP-03 CIEP-02 LAB-06 OMB-01 NSC-07 SS-20

STR-08 CEA-02 USIA-15 DODE-00 L-03 ABF-01 SWF-02

DRC-01 /210 W

----- 029032

R 151440Z MAY 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 6682

LIMITED OFFICIAL USE SECTION 1 OF 2 CAIRO 3196

E.O. 11652: NA

TAGS: ECON EG

SUBJ: PL 480 - TITLE I PROJECTION FOR FY-75

REF: A. STATE 92148; B. CAIRO 1591

SUMMARY: THERE FOLLOWS EMBASSY REPLY TO REF A, PARA 10. EMBASSY HAS PROVIDED DETAILED STATISTICS FOR COMMODITIES LISTED IN REF B. IT SHOULD BE NOTED THAT TABLES WHERE NECESSARY ARE FOLLOWED BY A BRIEF WORD PICTURE OF THE ACTUAL STATISTICS. EMBASSY NARRATIVE ALONG LINES REQUESTED IN PARA 5, REF A,, IS FOUND AT THE END OF THIS MESSAGE. STATISTICS ARE GIVEN FOR CALENDAR YEARS NOT FISCAL YEARS BECAUSE EGYPTIAN STATISTICS HAVE SINCE 1972 BEEN KEPT ON A CALENDAR YEAR BASIS. IN ORDER TO MEET THE DEADLINE IT WAS NOT POSSIBLE TO REARRANGE THE STATISTICS ACCORDING TO OUR FISCAL YEAR; THIS PROBABLY COULD BE DONE IF THE NECESSARY TIME WERE AVAILABLE. END SUMMARY.

1. COMMODITY: WHEAT AND WHEAT FLOUR IN WHEAT EQUIVALENTS

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CY 73 74 75

SUPPLY (METRIC TONS)

A. BEGINNING STOCK	837,000	685,000	672,000
B. PRODUCTION	1,837,000	2,147,000	2,070,000
C. IMPORTS			
1. COMMERCIAL	2,898,000	3,155,000	3,555,000
2. PL 480			
A. SALES	NONE	NONE	NONE
B. DONATIONS	NONE	NONE	NONE
D. TOTAL SUPPLY	5,608,000	5,987,000	6,297,000
DISTRIBUTION			
A. CONSUMPTION	4,811,000	5,200,000	5,510,000
B. FEED/SEED/WASTE	112,000	115,000	115,000
C. EXPORTS	NONE	NONE	NONE
D. CARRY OVER	685,000	672,000	672,000
E. TOTAL DISTRIBUTION	5,608,000	5,987,000	6,297,000

2. COMMODITY: YELLOW DENT CORN

CY 73 74 75

SUPPLY (METRIC TONS)

A. BEGINNING STOCK	42,000	89,000	128,000
B. PRODUCTION	2,100,000	2,144,000	2,150,000
C. IMPORTS			
1. COMMERCIAL	200,000	300,000	350,000
2. PL 480			
A. SALES	NONE	NONE	NONE
B. DONATIONS	NONE	NONE	NONE
D. TOTAL SUPPLY	2,342,000	2,533,000	2,628,000
DISTRIBUTION			
A. CONSUMPTION	1,799,000	1,850,000	1,850,000
B. FEED/SEED/WASTE	454,000	555,000	655,000
C. EXPORTS	NONE	NONE	NONE
D. CARRY OVER	89,000	128,000	123,000
E. TOTAL DISTRIBUTION	2,342,000	2,533,000	2,628,000

NOTE: THE FOREIGN MINISTER'S REQUEST FOR 500,000 TONS IS IN EXCESS OF THE GOE'S FIGURES FOR ESTIMATED IMPORTS. THE EXCESS MAY BE FOR CORN TO BE COMBINED WITH WHEAT FLOUR AS A FILLER.

3. COMMODITY: INEDIBLE BEEF TALLOW

CY 73 74 75

SUPPLY (METRIC TONS)

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A. BEGINNING STOCK	100	140	3,340
B. PRODUCTION	NONE	NONE	NONE
C. IMPORTS			
1. COMMERCIAL	74,000	84,000	84,000
2. PL 480			
A. SALES	NONE	NONE	NONE
B. DONATIONS	NONE	NONE	NONE
D. TOTAL SUPPLY	74,100	84,140	87,340

DISTRIBUTION

A. CONSUMPTION	73,360	80,000	84,000
B. FEED/SEED/WASTE	600	800	1,000
C. EXPORTS	NONE	NONE	NONE
D. CARRY OVER	140	3,340	2,340
E. TOTAL DISTRIBUTION	74,100	84,140	87,340

4. COMMODITY: EDIBLE BEEF TALLOW

CY 73 74 75

SUPPLY (METRIC TONS)

A. BEGINNING STOCK	20	17	517
B. PRODUCTION	NONE	NONE	NONE
C. IMPORTS			
1. COMMERCIAL	10,000	14,000	15,000
2. PL 480			
A. SALES	NONE	NONE	NONE
B. DONATIONS	NONE	NONE	NONE
D. TOTAL SUPPLY	10,020	14,017	15,517

DISTRIBUTION

A. CONSUMPTION	10,003	13,500	14,500
B. FEED/SEED/WASTE	NONE	NONE	NONE
C. EXPORTS	NONE	NONE	NONE
D. CARRY OVER	17	517	1,017
E. TOTAL DISTRIBUTION	10,020	14,017	15,517

5. COMMODITY: TOBACCO LEAVES

CY 73 74 75

SUPPLY (METRIC TONS)

A. BEGINNING STOCK	10,000	10,000	10,000
B. PRODUCTION	NONE	NONE	NONE
C. IMPORTS			
1. COMMERCIAL	16,000	18,000	20,000
(CCC)	(440)	(1,589)	

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2. PL 480

A. SALES	NONE	NONE	NONE
B. DONATIONS	NONE	NONE	NONE
D. TOTAL SUPPLY	26,000	28,000	30,000

DISTRIBUTION

A. CONSUMPTION	15,800	17,800	19,800
B. FEED/SEED/WASTE	200	200	200
C. EXPORTS	NONE	NONE	NONE
D. CARRY OVER	10,000	10,000	10,000
E. TOTAL DISTRIBUTION	26,000	28,000	30,000

6. COMMODITY: NEWSPRINT/WRITING PAPER

CY 73 74

A. BEGINNING STOCK	NONE/NONE	NONE/NONE
B. PRODUCTION	NONE/TOTAL	NONE/SAME AS

PAPER PRODUCTION 1973

40,000 TONS NOT

ALL FOR WRITING

C. IMPORTS

1. COMMERCIAL 38,000/10,575 72,000/5,170 #

2. PL 480

A. SALES NONE NONE

B. DONATIONS NONE NONE

D. TOTAL SUPPLY 38,000/UNK 72,800/UNK

DISTRIBUTION

A. CONSUMPTION 38,000/ 38,000/

32,500 BY LAW 32,500 BY LAW

B. FEED/SEED/WASTE

C. EXPORTS NONE NONE

D. CARRY OVER NONE/NONE 38,000/NONE

SHORTAGE

E. TOTAL DISTRIBUTION 38,000/32,500 72,000/32,500

ACUTE SHORTAGE DUE TO EAST EUROPE NOT MAKING OFFERS ON QUOTAS
FOR WRITING PAPER.

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DRC-01 /210 W

----- 029409

R 151440Z MAY 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 6683

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7. COMMODITY: ARTIFICIAL LEATHER (PLYVINYL CHLORIDE AND
PLASTICIZERS)

SUPPLY (METRIC TONS) CY 73 CY 74 CY 75

A. BEGINNING STOCK NONE NO PLANS TO STOCKPILE
UNTIL LATER

B. PRODUCTION NONE NONE NONE

C. IMPORTS

1. COMMERCIAL NONE 4080(2064)6120 (3096)

2. PL 480

A. SALES NONE NONE NONE

B. DONATIONS NONE NONE NONE

C. TOTAL SUPPLY 4080(2064) 6210

DISTRIBUTION

A. CONSUMPTION (PRODUCTION

OF LEATHER 4080(2064) 6120 3096)

(6 MIL M2 OF (9MIL M2 OF
LEATHER) LEATHER)

B. FEED/SEED/WASTE NONE NONE NONE

C. EXPORTS NONE NONE

D. CARRY OVER NONE NONE

D. TOTAL DISTRIBUTION 4080(2064) 6120(3096)

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NEW INDUSTRY BEGUN IN 1973 TO REPLACE REAL LEATHER BECAUSE OF
SHORTAGE AND INCREASING COST, MARCH 27 REQUEST FOR 6 MIL M2
EVIDENTLY MEANS THE EQUIVALENT OF 1974 IMPORT OF CHEMICALS
TO PRODUCE THIS AMOUNT OF ARTIFICIAL LEATHER.

8. COMMODITY: GRAIN EVACUATORS

SUPPLY CY 73 CY 74 CY 75

A. BEGINNING STOCK 48 53 103

B. PRODUCTION NONE NONE NONE

C. IMPORTS:

1. COMMERCIAL 5 50 75

2. PL 480

A. SALES NONE NONE NONE

B. DONATION NONE NONE NONE

D. TOTAL SUPPLY 53 103 178

DISTRIBUTION

A. CONSUMPTION NOT APPLICABLE

B. FEED/SEED/WASTE NOT APPLICABLE

C. EXPORTS NOT APPLICABLE

D. CARRY OVER NOT APPLICABLE

E. TOTAL DISTRIBUTION NOT APPLICABLE

THE GOE INTENDS TO INCREASE ITS CAPACITY TO UNLOAD WHEAT RATHER
CONSIDERABLY OVER THE NEXT TWO YEARS. IN THIS CONNECTION THEY
INTEND TO SWITCH FROM THEIR PRESENT SYSTEM OF BAGGING THE
WHEAT AT THE SHIPS TO BULK TRANSPORT TO STORAGE AREAS TO
SAVE TIME UNLOADING.

9. COMMODITY: SPARE PARTS FOR EVACUATORS

SUPPLY(DOLLAR VALUE) CY 73 CY 74 CY 75

A. BEGINNING STOCK NONE NONE NONE

B. PRODUCTION NONE NONE NONE

C. IMPORTS

1. COMMERCIAL NONE 150,000 STER 200,000 STERLING
(360,000) (\$480,000)

2. PL 480

A. SALES NONE NONE NONE

B. DONATIONS NONE NONE NONE

D. TOTAL SUPPLY

DISTRIBUTION

A. CONSUMPTION NOT APPLICABLE

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B. FEED/SEED/WASTE NOAT APPLICABLE

C. EXPORTS NOT APPLICABLE

D. CARRY OVER NOT APPLICABLE

E. TOTAL DISTRIBUTION NOT APPLICABLE

10. COMMODITY: COTTON SEED AND SUNFLOWE SEED COMBINED

SUPPLY

A. BEGINNING STOCK 12,000 15,000 22,000

B. PRODUCTION 124,000 125,000 125,000

C. IMPORTS

1. COMMERCIAL 140,000 180,000 190,000

2. PL 480

A. SALES NONE NONE NONE

B. DONATIONS NONE NONE NONE

D. TOTAL SUPPLY 276,000 320,000 337,000

DISTRIBUTION

A. COMSUMPTION 258,500 295,000 305,000.

?. FEED/SEED/WASTE 2,5000 3,000 3,000

C. CARRY OVER 15,000 22,000 29,000

E. TOTAL DISTRIBUTION 276,000 320,000 337,000

GOE STATISTICS DO NOT CARRY COTTON SEED OIL AS A SEPARATE
ITEM. IT IS ASSUMED THAT SUNFLOWER SEED OIL IS GENERALLY
LOCALLY PRODUCED AND COTTON SEED OIL IS IMPORTED.

11. COMMODITY:BEECHWOOD/PLYWOOD/AFRICAN WOOD/VENEER

SUPPLY CY 73 CY 74

A. BEGINNING STOCK 14289M3/12031M3 7032M3/5318M3
152M3/191525 M2 0000/31654 M2

B. PRODUCTION NONE NONE

C. IMPORTS

1. COMMERCIAL 64300M3/15200 M3 90000 M3/36000 M3
800 M3/260,000 M2 50,000 M3/1,5000,000

M2

2. PL 480

A. SALES NONE NONE

B. DONATIONS NONE NONE

D. TOTAL SUPPLY 78589 M3/27231 M3 97032 M3/91318M3
 952M/451525 M2 50,000 M3/1,537,654,

M2

DISTRIBUTION EXPECTED

A. CONSUMPTION 71557M3/21913 M397032M3/41318M3

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952M3/419871 M2 50,000 M3/1,531,654

M2

FEED/SEED/WASTE NEGLIGIBLE NEGLIGIBLE

C. EXPORTS NONE NONE

D. CARRY OVER 7032 M3/5318 0000/0000

0000/31,654M2 0000/0000

ESTIMATES FOR 1975 NOT AVAILABLE BUT SHORTAGE EXPECTED AS THERE WILL BE NO CARRY OVER. CONSUMPTION IS EXPECTED TO REMAIN THE SAME. IT IS INTERESTING TO NOTE THAT THIS SPECIFIC REQUEST IS FOR WOOD FOR FURNITURE AND LIGHT INDUSTRIES. AS AID/ WASHINGTON IS AWARE THERE WILL BE A TREMENDOUS NEED OR LUMBER FOR CONSTRUCTION PURPOSES, ALTHOUGH WE HAVE NO SPECIFIC REQUEST AT THIS TIME.

12. EMBASSY NARRATIVE.

A. THE EGYPTIAN REQUEST FOR COMMODITIES LISTED ABOVE WAS DESCRIBED TO THE AMBASSADOR BY THE FOREIGN MINISTER ON MARCH 27 AS A REQUEST FOR "VITAL GOODS URGENTLY NEEDED BY THE EGYPTIAN ECONOMY". THE OBJECTIVE SERVED BY THIS REQUEST IS TO OBTAIN THESE VITAL COMMODITIES WITHOUT FURTHER DEPLETING THE ALREADY SCARCE FOREIGN EXCHANGE RESERVES OF EGYPT, AND, MOREOVER TO FREE THESE SCARE RESERVES FOR THE IMPORT OF BASIC REPLACEMENT PARTS, INDUSTRIAL AND BUILDING MATERIALS NEEDED TO GET THE EGYPTIAN ECONOMY MOVING.

B. PRESIDENT SADAT HAS TOLD THE AMBASSADOR THAT HE SEES A PERIOD OVER THE NEXT TWO YEARS IN WHICH THE ECONOMY WILL BE TRANSFORMED AND STABILIZED. THIS PERIOD WILL BE FOLLOWED BY THE IMPLEMENTATION OF A FIVE YEAR DEVELOPMENT PROGRAM. THE ECONOMY IS INDEED IN A STATE OF TRANSITION FROM FOCUS ON THE NEED TO STRETCH LIMITED RESOURCES TO MEET MILITARY REQUIREMENTS TO NEW STRESS ON ECONOMIC DEVELOPMENT. IN THIS SITUATION, THE LACK OF FOREIGN EXCHANGE HAS PRECLUDED THE IMPORT OF ADEQUATE RAW MATERIALS AND REPLACEMENT PARTS. GOE OFFICIALS, THEREFORE, GIVE TOP PRIORITY TO CORRECTING THIS IMBALANCE AND HAVE IDENTIFIED THE ABOVE COMMODITIES AS THOSE WHICH ARE MOST NEEDED IMMEDIATELY.

C. THE FOREIGN MINISTER REQUESTED THAT THESE GOODS BE PROVIDED EITHER AS A DONATION OR AS A LOAN AT THE CRITICAL TIME. EGYPT HAS RAPIDLY IMPROVED ITS RELATIONS WITH THE UNITED STATES OVER THE PAST FEW MONTHS. THE REQUEST FOR PROVISION OF THESE LIMITED OFFICIAL USE

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COMMODITIES WAS, THEREFORE, ALMOST AS MUCH POLITICAL AS ECONOMIC IN CONTENT. THE EMBASSY FEELS THAT WE MUST BE AS RESPONSIVE AS POSSIBLE IF WE ARE TO MAINTAIN CREDIBILITY THAT WE ARE SERIOUS ABOUT OUR NEW RELATIONSHIP.

D. IT SHOULD BE NOTED THE EGYPTIAN OFFICIALS WENT TO GREAT LENGTHS TO PROVIDE THE EMBASSY WITH THE STATISTICS IN PARA 1 THROUGH 11.

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Message Attributes

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Concepts: COMMODITIES, WHEAT, PL 480 TITLE 1
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Copy: SINGLE
Draft Date: 15 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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EO Systematic Review
30 JUN 2005

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